

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 118392

66

ORIGIN COME-00

INFO OCT-01 EUR-25 IO-13 ADP-00 STR-08 EB-11 RSC-01 /059 R

DRAFTED BY COMM: OITP/ BIC: BAMARSH

6/15/73

APPROVED BY EUR/ RPE; ACALBRECHT

STR: DWHITNACK

EB/ OT/ TA: JCRAWFORD(SUBS)

EB/ OT/ STA: RWINSTANLEY (SUBS)

COMM: EMULLELLY/ FABBUEHL

EUR/ RPE: PRIZIK

----- 122060

R 182100 Z JUN 73

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

LIMITED OFFICIAL USE STATE 118392

E. O. 11652 N/ A

TAGS: ETRD: EEC

SUBJECT: ECTARIFF RECLASSIFICATION: SEMI- CONDUCTORS

REF: A. EC BRUSSELS 3077

B. EC BRUSSELS 2628

C. GENEVA 1500

1. MISSION REQUEST FOR SUBSTANTIATING EVIDENCE (REF A)
THAT BELGIUM, LUXEMBOURG, AND ITALY HAD PREVIOUSLY BEEN
LEVYING THE CONCESSION RATE OF 9 PERCENT (9.6 , JANUARY 1 -
DECEMBER 31, 1971) ON WAFERS AND CHIPS WAS PASSED ON TO
LOCAL OFFICE CLEARY, GOTTLIEB, STEEN, AND HAMILTON, LEGAL
REPRESENTATIVE FOR TEXAS INSTRUMENTS (TI). CLEARY,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 118392

GOTTLIEB QUESTIONED INCLUSION OF ITALY IN THIS LIST SINCE IT UNDERSTANDS ITS BRUSSELS OFFICE HAS ALREADY SUPPLIED MISSION OFFICERS WITH AMPLE DOCUMENTATION OF IMPORTS INTO ITALY RECEIVING THE CONCESSION RATE. WE HAVE BEEN INFORMED THAT NEITHER TI NOR ANY OTHER US MANUFACTURER EXPORTS- THE PRODUCTS IN QUESTION TO LUXEMBOURG. TI DOES NOT EXPORT TO BELGIUM, BUT OTHER US EXPORTERS TO THAT MARKET, WHO DO NOT WISH TO BE IDENTIFIED AND RISK A CHANGE IN THEIR PRESENT STATUS, HAVE RECEIVED THE BENEFITS OF THE LOWER RATE DURING THE PERIOD PRIOR TO AND SINCE REPEAT SINCE JANUARY 1, 1972.

2. IF THIS ARGUMENT CONTINUES TO DELAY SETTLEMENT OF

OUR CLAIM, WE WOULD SUGGEST MISSION REQUEST EC COMMISSION FOR EVIDENCE SUPPORTING THEIR ASSERTION OF A SERIOUS LACK OF UNIFORMITY IN CUSTOMS CLASSIFICATION OF WAFERS AND CHIPS. IT MIGHT ALSO BE HELPFUL TO REFER THE EC COMMISSION TO THE RELEVANT PORTIONS OF THE EXPLANATORY NOTES TO THE BTN THAT WERE IN EFFECT AT THE TIME THE KR CONCESSION ON CXT ITEM 85.21 E WAS NEGOTIATED AND THE CHANGES INCORPORATED IN THE NOTES IN JANUARY 1972. THESE DOCUMENTS PROVIDE STRONG EVIDENCE THAT A VERY VALUABLE CONCESSION HAS BEEN IMPAIRED.

3. PER MISSION REQUEST (REF A), THE TABLE BELOW PRESENTS A COUNTRY- OF- DESTINATION BREAKDOWN OF 1971 US EXPORTS TO THE EC, BASED ON STATISTICS FROM CENSUS PUBLICATION FT410-71-12. SCHEDULE B CATEGORY 729.3070, PARTS AND ACCESSORIES FOR DIODES, RECTIFIERS, TRANSISTORS, INTEGRATED CIRCUITS AND SEMI- CONDUCTORS, N. E. C., APPEARS TO ENCOMPASS MOST ITEMS THAT HAVE BEEN AFFECTED BY THE CHANGES IN CXT TARIFF HEADING DESCRIPTIONS. EC IMPORT DATA FOR 1972, WHICH WILL PERMIT DETAILED BREAKDOWN OF TRADE IN WAFERS AND CHIPS, IS NOT YET AVAILABLE TO US.

1971 US EXPORTS TO:

| | |
|---------|-------------|
| FRANCE | \$8,119,997 |
| GERMANY | 3,646,336 |

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 118392

| | |
|-------------|------------|
| ITALY | 1,389,506 |
| BELGIUM | 926,383 |
| NETHERLANDS | 90,486 |
| EC (TOTAL) | 14,172,708 |

4. USG IS INCREASINGLY DISMAYED BY EC UNWILLINGNESS TO RESOLVE A MATTER WHICH HAS BEEN PENDING FOR SO LONG.

SPECIAL SUBHEADING WAS SUBMITTED BY US IN ACCORDANCE EC' S
OWN PROCEDURAL SUGGESTION MADE IN APRIL 1971 (REF C).
EC PROMISED SPEEDY STUDY AND DISCUSSION BY COMMISSION OF
OUR SUBHEADING LANGUAGE, BUT OVER PERIOD EIGHT MONTHS NO
SUBSTANTIVE RESPONSE HAS BEEN RECEIVED. FOR EC NOW TO
SUGGEST THAT COUNTRY LOSING BENEFIT OF CONCESSION MUST
PRODUCE CUSTOMS INVOICES TO PROVE EXISTENCE OF CONCESSION
IS UNREASONABLE AND WE NOT PREPARED TO ACCEPT ARGUMENT.
FYI. IF ACCEPTABLE SOLUTION NOT MADE POSSIBLE BY EC IN
NEAR FUTURE US WOULD CONSIDER PURSUING
CLAIM THROUGH FORMAL GATT PROCEDURES. END FYI. ROGERS

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: willialc
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE118392
Document Source: CORE
Document Unique ID: 00
Drafter: OITP/ BIC: BAMARSH
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730622/aaaajehg.tel
Line Count: 131
Locator: TEXT ON-LINE
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 EC BRUSSELS 3077, 73 EC BRUSSELS 2628, 73 GENEVA 1500
Review Action: RELEASED, APPROVED
Review Authority: willialc
Review Comment: n/a
Review Content Flags:
Review Date: 09 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Aug-2001 by shawdg>; APPROVED <29-Aug-2001 by willialc>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980211
Subject: ECTARIFF RECLASSIFICATION: SEMI- CONDUCTORS
TAGS: ETRD, EEC
To: BONN
BRUSSELS
EC BRUSSELS
GENEVA
LUXEMBOURG
PARIS
ROME

THE HAGUE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005